

### **Long-term Extension and Modification of Renewable Energy Production Tax Credit**

This proposal would extend the placed-in-service date for wind facilities for three years (through December 31, 2012). This proposal would also extend the placed-in-service date for three years (through December 31, 2013) for certain other qualifying facilities: closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; waste-to-energy; and marine renewable facilities (from [Guide to Certain Renewable Energy Programs](#) ).

**How to Apply:** This proposal extends existing tax credits. Information on how to file can be found at [www.irs.gov](http://www.irs.gov) .

### **Temporary Election to Claim the Investment Tax Credit in Lieu of the Production Tax Credit**

Under current law, facilities that produce electricity from solar facilities are eligible to take a thirty percent (30%) investment tax credit in the year that the facility is placed in service. Facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities are eligible for a production tax credit. The production tax credit is payable over a ten-year period. Because of current market conditions, it is difficult for many renewable projects to find financing due to the uncertain future tax positions of potential investors in these projects. The bill would allow facilities to elect to claim the investment tax credit in lieu of the production tax credit. (from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Participants will be able to file the tax credit on their tax return. For more information, visit [www.irs.gov](http://www.irs.gov) .

### **Repeal Subsidized Energy Financing Limitation on the Investment Tax Credit**

Under current law, the investment tax credit must be reduced if the property qualifying for the investment tax credit is also financed with industrial development bonds or through any other

Federal, State, or local subsidized financing program. The provision in the American Recovery and Reinvestment Act would repeal this subsidized energy financing limitation on the investment tax credit in order to allow businesses and individuals to qualify for the full amount of the investment tax credit even if such property is financed with industrial development bonds or through any other subsidized energy financing. (from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Participants will find that the financing limitation for subsidized energy has been removed.

### **Removal of Dollar Limitations on Certain Energy Credits**

Under current law, businesses are allowed to claim a thirty percent (30%) tax credit for qualified small wind energy property (capped at \$4,000). Individuals are allowed to claim a thirty percent (30%) tax credit for qualified solar water heating property (capped at \$2,000), qualified small wind energy property (capped at \$500 per kilowatt of capacity, up to \$4,000), and qualified geothermal heat pumps (capped at \$2,000). This provision would repeal the individual dollar caps. As a result, each of these properties would be eligible for an uncapped thirty percent (30%) credit. (from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Participants will be able to file for the tax credit on their 2009 tax return. For more information, visit [www.irs.gov](http://www.irs.gov) .

### **Clean Renewable Energy Bonds (“CREBs”)**

This provision authorizes an additional \$1.6 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind; closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; marine renewable; and trash combustion facilities. This \$1.6 billion authorization will be subdivided into thirds: 1/3 will be available for qualifying projects of State/local/tribal governments; 1/3 for qualifying projects of public power providers; and 1/3 for qualifying projects of electric cooperatives. (from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Qualified participants will be able to utilize this bond program as it is developed. Check [www.treasury.gov/recovery](http://www.treasury.gov/recovery) for additional information.

### **Qualified Energy Conservation Bonds**

This provision authorizes an additional \$2.4 billion of qualified energy conservation bonds to finance State, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. This provision would also clarify that qualified energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs. This provision also clarifies that qualified energy conservation bonds may be used for programs in which utilities provide ratepayers with energy-efficient property and recoup the costs of that property over an extended period of time. (from [Guide to Certain Renewable Energy Programs](#))

**How to Apply:** Qualified participants will be able to utilize this bond program as it is developed. Check [www.treasury.gov/recovery](http://www.treasury.gov/recovery) for additional information.

### **Tax Credits for Energy-Efficient Improvements to Existing Homes**

This provision would extend the tax credits for improvements to energy-efficient existing homes through 2010. Under current law, individuals are allowed a tax credit equal to ten percent (10%) of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during the taxable year. This tax credit is capped at \$50 for any advanced main air circulating fan, \$150 for any qualified natural gas, propane, oil furnace or hot water boiler, and \$300 for any item of energy-efficient building property. For 2009 and 2010, this provision would increase the amount of the tax credit to thirty percent (30%) of the amount paid or incurred by the taxpayer for qualified energy-efficiency improvements during the taxable year. This provision would also eliminate the property-by-property dollar caps on this tax credit and provide an aggregate \$1,500 cap on all property qualifying for the credit. This provision would update the energy-efficiency standards of the property qualifying for the credit. (from [Guide to Certain Renewable Energy Programs](#))

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**How to Apply:** Participants will be able to file for the tax credit on their 2009 tax return.

### **Tax Credits for Alternative Refueling Property**

The alternative refueling property credit provides a tax credit to businesses (e.g., gas stations) that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel, electricity, hydrogen, and natural gas. For 2009 and 2010, this provision would increase the 30% alternative refueling property credit for businesses (capped at \$30,000) to 50% (capped at \$50,000). Hydrogen refueling pumps would remain at a 30% credit percentage; however, the cap for hydrogen refueling pumps will be increased to \$200,000. In addition, this provision would increase the 30% alternative refueling property credit for individuals (capped at \$1,000) to 50% (capped at \$2,000). (from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Participants will be able to file for this tax credit on their 2009 tax return. For more information, visit [www.irs.gov](http://www.irs.gov) .

### **Plug-in Electric Drive Vehicle Credit**

This provision modifies and increases a tax credit passed into law at the end of last Congress for each qualified plug-in electric drive vehicle placed in service during the taxable year. The base amount of the credit is \$2,500. If the qualified vehicle draws propulsion from a battery with at least 5 kilowatt hours of capacity, the credit is increased by \$417, plus another \$417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours up to 16 kilowatt hours. Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter in which the manufacturer records its 200,000th sale of a plug-in electric drive vehicle. The credit is reduced in following calendar quarters. The credit is allowed against the alternative minimum tax (AMT). This bill also restores and updates the electric vehicle credit for plug-in electric vehicles that would not otherwise qualify for the larger plug-in electric drive vehicle credit and

provides a tax credit for plug-in electric drive conversion kits.(from [Guide to Certain Renewable Energy Programs](#) )

**How to Apply:** Participants will be able to file for the tax credit on their 2009 tax return.

### **Addition of Permanent Sequestration Requirement to CO2 Capture Tax Credit**

Last year, Congress provided a \$10 credit per ton for the first 75 million metric tons of carbon dioxide captured and transported from an industrial source for use in enhanced oil recovery, and \$20 credit per ton for carbon dioxide captured and transported from an industrial source for permanent storage in a geologic formation. Facilities were required to capture at least 500,000 metric tons of carbon dioxide per year to qualify. This provision would require that any taxpayer claiming the \$10 credit per ton for carbon dioxide captured and transported for use in enhanced oil recovery must also ensure that such carbon dioxide is permanently stored in a geologic formation.

**How to Apply:** New provision does not change the way participants file for the tax credit, just the qualifications to be able to apply for the tax credit.

**Parity for Transit Benefits**Current law provides a tax-free fringe benefit employers can provide to employees for transit and parking. Those benefits are set at different dollar amounts. This

provision would equalize the tax-free benefit employers can provide for transit and parking. The proposal sets both the parking and transit benefits at \$230 a month for 2009, indexes them equally for 2010, and clarifies that certain transit benefits apply to federal employees. (from [Guide to Tax Credit and Tax Exempt Bond Programs](#))

**How to Apply:** Eligible participants will receive information on how to apply through their workplace as this program is implemented.